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Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 HEW-06 CU-04 AID-05 CEA-01 CIAE-00

COME-00 EB-07 EA-10 FRB-01 INR-07 IO-10 NEA-09

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---------- 068287
R 281924Z JAN 75
FM USMISSION OECD PARIS
TO SECSTATE WASH DC 5185

UNCLAS SECTION 01 OF 02 OECD PARIS 02405

DEPT PASS NIE FOR LAZNA; OE/HEW FOR LEESTMA

E.O. 11652: N/A
TAGS: SEDU, OECD
SUBJECT: US PARTICIPATION IN CENTER FOR EDUCATIONAL
RESEARCH AND INNOVATION (CERI)

1. SUMMARY: SECGEN ASKS THAT US BECOME FULL PARTICIPANT IN CERI FOR 1975, MAKING FULL CONTRIBUTION TO 1975 CERI BUDGET IN PROPORTION AGREED FOR PART II ACTIVITIES UNDER COUNCIL RESOLUTION AND FINANCIAL REGULATIONS. ACCORDING TO SECGEN, CONTINUATION IN 1975 OF EXCEPTIONAL PROCEDURE GRANTED US IN FIRST THREE YEARS OF CERI WOULD BE "EXCEEDINGLY DIFFICULT". ACTION REQUESTED: DECISION ON US PARTICIPATION IN CERI FOR 1975. END SUMMARY.

2. FOLLOWING IS TEXT OF DECEMBER 19, 1974, LETTER FROM VAN LENNEP TO AMBASSADOR TURNER.

"I UNDERSTAND FROM MR. GASS, DIRECTOR OF THE CENTER FOR EDUCATIONAL RESEARCH AND INNOVATION, THAT THERE MAY AGAIN BE SOME DIFFICULTIES CONCERNING THE UNITED STATES' FINANCIAL CONTRIBUTION TO THE CERI BUDGET IN 1975.
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"YOU WILL RECALL THAT FOR THE PAST THREE YEARS I HAVE BEEN ABLE TO MAKE PROPOSALS TO MEMBER COUNTRIES CONCERNING THE UNITED STATES' CONTRIBUTION, ON THE BASIS THAT THERE WERE PARTICULAR CIRCUMSTANCES JUSTIFYING A SPECIAL ARRANGEMENT FOR UNITED STATES PARTICIPATION. FOR OBVIOUS REASONS, IT WOULD BE EXCEEDINGLY DIFFICULT FOR ME TO MAKE A SIMILAR PROPOSAL FOR THE FOURTH SUCCESSIVE YEAR. I SHOULD, THEREFORE, BE GRATEFUL IF YOU COULD DO ALL POSSIBLE TO ENSURE THAT THE UNITED STATES WILL BE IN A POSITION TO PARTICIPATE FULLY IN CERI IN 1975.

"I BELIEVE THAT THE MEMBER COUNTRIES, ALL OF WHOM (APART FROM NEW ZEALAND) NOW PARTICIPATE IN CERI, ATTACH CONSIDERABLE IMPORTANCE TO COOPERATION AND EXCHANGE OF EXPERIENCE BETWEEN THE UNITED STATES AND OTHER MEMBER COUNTRIES IN THIS FIELD IN THE FUTURE, AND IT WOULD ACCORDINGLY BE REGRETTABLE IF THIS SITUATION COULD NOT BE REFLECTED IN THE DECISIONS TO BE TAKEN IN RELATION TO THE 1975 BUDGET."

3. COUNCIL RESOLUTION 119 OF DECEMBER 10, 1963, ESTABLISHED FORMULA FOR DETERMINING MEMBER COUNTRIES' ASSESSMENTS FOR OECD BUDGET BASED ON NATIONAL INCOME, WITH PROVISO THAT NO COUNTRY PAYS MORE THAN 25 PERCENT...OF THE TOTAL BUDGET OF THE ORGANIZATION. IN ADOPTING THIS RESOLUTION, COUNCIL AGREED THAT IT SHOULD APPLY TO PART II AS WELL AS PART I OF BUDGET. ALSO, ART. 5 OF OECD FINANCIAL REGULATIONS STATES: "EACH PARTICIPATING COUNTRY'S SHARE IN FINANCING SUCH LIMITED ACTIVITIES (PART II) SHALL BE FIXED BY THE COUNCIL AND, IN PRINCIPLE, SHALL BE PROPORTIONATE TO ITS SHARE IN THE GENERAL SCALE OF CONTRIBUTIONS DESIGNED TO FINANCE PART I EXPENSES."

4. IN PAST THREE YEARS US, WHILE NOT A MEMBER OF CERI, HAS MADE CONTRIBUTIONS BY MEANS OF GRANTS (MAINLY FROM NIE) WHICH HAVE BEEN LESS THAN WHAT WOULD HAVE BEEN REQUIRED BY FULL MEMBERSHIP: I.E., 25PERCENT. FOR CY 1974, US CONTRIBUTION TO CERI CONSISTED OF UNRESTRICTED $165,000 NIE GRANT (WHICH WOULD HAVE BEEN 19 PERCENT OF UNCLASSIFIED

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GOVERNMENT UNRESTRICTED CONTRIBUTIONS) PLUS SUPPLEMENTARY HEW/OE AND NIE RESTRICTED GRANTS TOTALLING $47,000 FOR SPECIAL PROJECTS OF US INTEREST. THE TOTAL OF $212,000 WOULD HAVE REPRESENTED 23 PERCENT OF ALL MEMBER GOVERNMENT CONTRIBUTIONS INCLUDING US RESTRICTED GRANTS. IN RETURN FOR GRANTS, US WAS INVITED TO PARTICIPATE IN GOVERNING BOARD DISCUSSIONS AS WELL AS OTHER CERI ACTIVITIES.

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5. THIS ARRANGEMENT HAS BEEN ONLY RELUCTANTLY ACCEPTED
BY OTHER MEMBER COUNTRIES. AT CONCLUSION OF JUNE 1974

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DISCUSSION OF THIS SUBJECT, EXECUTIVE COMMITTEE CHAIRMAN
VALERY (FRANCE) OBSERVED POINTEDLY THAT: "A SCALE OF
CONTRIBUTIONS WAS IN FACT LAID DOWN FOR COUNTRIES WISH-
ING TO PARTICIPATE IN ANY ACTIVITY COMING UNDER PART II
OF THE BUDGET, AND A PROCEDURE ENABLING EACH COUNTRY TO
FIX ITS OWN CONTRIBUTION IMPLIED A DIFFERENT CONCEPTION
OF PART II."

6. BEGINNING 1972 US HAS PLEADED SPECIAL CIRCUMSTANCES
FOR THREE SUCCESSIVE YEARS. MISSION AGREES WITH SECGEN
THAT SIMILAR REQUEST FOR FOURTH STRAIGHT YEAR WOULD PLACE
HIM IN DIFFICULT POSITION. USG IS TO OUR KNOWLEDGE
ONLY OECD MEMBER FOR WHICH AN EXCEPTION HAS BEEN GRANTED
FROM NORMAL CONTRIBUTION PROCEDURES FOR ANY PART II
PROGRAM. IT SHOULD ALSO BE NOTED THAT 25 PERCENT CEILING
(COUNCIL RESOLUTION, PARA 3 ABOVE) IS, EXCEPT FOR CASES
OF MINOR NEA SUB-PROJECTS, OF BENEFIT ONLY TO US;

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US SHARE OF CONTRIBUTIONS TO CERI WOULD OTHERWISE BE CONSIDERABLY LARGER THAN 25 PERCENT.
7. COMMENT

THREE ALTERNATIVES EXIST:
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A. FULL US MEMBERSHIP IN CERI AND CONTRIBUTION TO SCALE. BASED ON THE COUNCIL APPROVED CERI BUDGET, THE US CONTRIBUTION FOR 1975 WOULD BE SOME $300,000. THIS WOULD ENTITLE US TO REGULAR MEMBERSHIP ON GOVERNING BOARD;

B. PROPOSAL FOR CONTINUATION OF CURRENT ARRANGEMENT FOR PARTICIPATION IN CERI INCLUDING GOVERNING BOARD IN RETURN FOR A REDUCED LEVEL OF CONTRIBUTION. THIS COURSE COULD BE REJECTED BY OTHER CERI MEMBERS, SO US WOULD LOSE ITS SEAT ON GOVERNING BOARD. FURTHERMORE, SUCH A POSITION WOULD APPEAR TO OTHER DELEGATIONS AS CONTRARY TO UNDERSTANDING THAT EXCEPTIONAL PROCEDURE WOULD BE TEMPORARY. IT COULD ALSO PROVOKE OTHER MEMBERS TO RECONSIDER LEVEL OF THEIR CONTRIBUTIONS TO CERI;

C. WITHDRAW ALTOGETHER FROM CERI GOVERNING BOARD ALLOWING ONLY VOLUNTARY GRANTS FOR SPECIAL PROJECTS OF INTEREST TO THE US. SUCH COURSE WOULD DENY USG ACCESS TO DELIBERATIONS AND DECISION-MAKING OF CERI GOVERNING BOARD, AND COULD SERIOUSLY IMPAIR ONGOING CERI ACTIVITIES.

8. CONCLUSION AND RECOMMENDATION: MISSION IS NOT IN POSITION TO MAKE DEFINITIVE JUDGMENT RE VALUE OF CERI TO US, AND WE RECOGNIZE THAT US MAKES MAJOR NON-FINANCIAL CONTRIBUTIONS TO CERI ACTIVITIES BY VIRTUE OF SCOPE AND MAGNITUDE US EDUCATIONAL EXPERIENCE AND INNOVATION. HOWEVER, REPRESENTATIVES FROM US EDUCATION COMMUNITY, NIE AND HEW/OE HAVE INFORMED MISSION OF MANY AREAS IN WHICH CERI HAS AND CAN MAKE SIGNIFICANT CONTRIBUTIONS TO US KNOWLEDGE, E.G. RECURRENT, ADULT CAREER-RELATED AND EARLY CHILDHOOD EDUCATION. IF WASHINGTON BELIEVES CERI WORTHWHILE, WE BELIEVE US SHOULD CHOOSE FULL MEMBERSHIP (OPTION A). IF NOT, WE SHOULD WITHDRAW FROM PARTICIPATION IN GOVERNING BOARD (OPTION C). WHILE CONTINUATION OF CURRENT ARRANGEMENT (OPTION B) COULD BE PROPOSED, MISSION CONSIDERS IT DISTINCTLY THIRD-BEST OPTION WHICH WOULD BE ESPE-
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CIALLY VULNERABLE IF US OFFERS CONTRIBUTION LESS THAN
THE $165,000 CONTRIBUTION PLUS $47,000 RESTRICTED
GRANT MADE IN CY 74. SHOULD NIE BE UNABLE TO CONTRI-
BUTE FULL AMOUNT, DEPARTMENT MAY WISH TO CONSIDER HEW,
NIH, STATE, AND AID AS ADDITIONAL SOURCES OF FUNDS
FOR 1975 CERI PROGRAM. TYPE OF FUNDS, IF RESTRICTED
FOR USE IN SPECIFIC PROJECTS, WOULD BE SUBJECT FOR
NEGOTIATION BETWEEN THE SECRETARIAT AND POTENTIAL
CONTRIBUTING AGENCY.
TURNER

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